

Committee on Resources

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61st District**

**Testimony
Before the Committee on Resources
United States House of Representatives**

Hearing on HR4893 to amend Section 20 of the Indian Gaming Regulatory Act.

April 5, 2006

Good morning Mr. Chairman and members of this committee. I wish to thank you for allowing me to appear before you on the matter of the Wisconsin, Kenosha casino and its potential impact on Lake County, Illinois. I am Jo Ann Osmond, Illinois State Representative for the 61st District. The 61st District has Lake Michigan boundary on the east and the State of Wisconsin on the North. Several towns in my district are within 6 miles of the Kenosha casino. The 61st district is part of Lake County, an urbanized county of 665,000 just north of Chicago.

The federal Indian Gaming Regulatory Act requires that the Secretary of the Interior consult with "appropriate state and local officials" in order to determine whether a tribal casino on newly acquired land "would not be detrimental to the surrounding community".

The Bureau of Indian Affairs' Checklist for Gaming Related Acquisitions specifies that communities within 10 miles of a proposed casino are part of the surrounding community and must be consulted. This 10-mile radius includes the northeastern part of the 61st District, including the towns of Zion and Winthrop Harbor. This 10 mile area of impact seems very small to me when you are considering the impact of a massive casino. Most casinos consider their marketing area to be within an hour's drive of a casino and the Environmental Impact Statement required for Indian casinos considers economic markets as far away as 75-100 miles. Indeed, according to Kenosha's own study, approximately 71% of the business projected from the casino and 62% of the customers will come from outside the Kenosha area, most of which will come from Northern Illinois. Despite this overwhelming evidence suggesting that most of the casino's impacts will come from Northern Illinois and despite the fact that my district lies within the BIA's 10 mile radius, the Kenosha Draft EIS makes only an off hand reference to Illinois on one of its hundreds of pages. As to consultation, none of the towns in my district within 10 miles of the casino were consulted by the BIA. Lake County, which has repeatedly written the BIA expressing its concern, was also ignored by the BIA. Since the BIA would not hold a hearing in Illinois and would not study or consider Northern Illinois impacts, I held a hearing on March 6 and invited the BIA to attend. The BIA did not attend the meeting, but did say they would make the comments part of the record. The hearing transcript and all the exhibits were then submitted to the BIA for the record.

At the hearing on March 6th, a representative from Congresswomen Melissa Bean's office was present. Letters expressing serious concerns with the proposed casino were read into the record from State Representative Mark Beaubien -52nd District, State Representative Ed Sullivan -51st District, State Representative Kathy Ryg -59th District and State Representative Robert Churchill-62nd District. All are Lake County representatives. Over the last 7 years, 16 letters from elected public officials have been written to the BIA raising concerns about this project. Among those writing have been Congressman Mark Kirk, Former Congressman Phil Crane, Congresswoman Melissa Bean and Lake County Board Chairman Suzi Schmidt.

The Menominee Tribe of Wisconsin wants approval to change 223 acres in Kenosha, Wisconsin to Indian lands. The Menominee Tribe's Reservation is 200 miles from Kenosha. The Tribe, in partnership with a Kenosha businessman, who was part of a first failed attempt to build a Kenosha Casino, and the Mohegan Tribe of Connecticut, want to build an \$808 million, 3100 position casino-hotel entertainment project. The

Mohegan Tribe has been hired to run the casino. When completed, this project will be the largest in the Midwest and will rival the size of Las Vegas's largest casinos. Through our public hearing and comment process, we have identified a number of concerns. First, there are jobs. The Menominee Tribe estimates that when the facilities are fully up and running that approximately 5,000 people directly and indirectly could be employed. As part of the Tribe's intergovernmental agreement, 80 percent of the facility's workforce must come from Kenosha, Racine and Milwaukee counties. The agreement, which has been adopted by the Menominee Legislature and the tribe's Kenosha Gaming Authority, gives first preference to Kenosha County Residents, followed by Racine and Milwaukee counties. Fourth preference will go to Wisconsin residents outside of those three counties. No consideration will be given for Illinois Residents which are just 6 miles away.

According to comments made by former Menominee Chairman Michael Chapman to the Kenosha News:

"The tribe's commitment is to Kenosha and southeastern Wisconsin. It was never the tribe's intent to employ an Illinois resident-dominated workforce. The tribe will also work with potential retail and commercial leaseholders to encourage them to do the same."

In short, we provide the casino revenues, Wisconsin keeps all the jobs.

Next, there is the environment, which does not respect state borders. The problem here is 3 million visitors from my district and traveling through my district to reach the casino. Both Lake County and Kenosha County are non attainment areas for ozone. What happens to the ozone level when all these people begin driving to the new casino?

The National Environmental Policy Act establishes procedures for Federal agencies to follow to "insure that environmental information is available to public officials and citizens before decisions are made and before actions are taken". The combination of these two federal laws requires that the Department of the Interior investigate and disclose to Illinois citizens and local governments exactly how this \$808 million casino project, expected to attract 4.9 million visitors annually, will impact Illinois and its environment. Yet, our worsening ozone problem has been ignored by the BIA in the Draft EIS.

Then there is the traffic and congestion, which is such a huge problem Lake County politicians are more identified as being pro or anti growth than they are Democrats or Republicans. With an estimated 3 million visitors to the Kenosha casino annually coming from south of the casino site, one can imagine what impact that the traffic is going to have on Lake County's already clogged major arteries into Wisconsin, including Hwy 41, Sheridan and Green Bay roads. Illinois taxpayers will be expected to carry the burden for road repairs, traffic management, police and first responders without any support from the casino. Yet, the BIA doesn't even bother to examine or consider these problems.

Then there is drinking and driving. Prior to the standardization of the drinking age in both Illinois and Wisconsin at the age of 21, the townships of Illinois just south of the Wisconsin state line were known to professionals as the "Blood Border". In January 1980, legislation signed by former Gov. James R. Thompson(R-IL) increased the drinking age in Illinois from 18 to 21. Wisconsin, however, refused to voluntarily enact a parallel law until September 1986. For more than 6 ½ years, from January 1980 until September 1986, the minimum legal drinking age was 21 in Illinois but only 18 in Wisconsin. This irrational disparity in these two laws gave thirsty young Illinoisans a lethal incentive to try to go north to Wisconsin, drink and drive home while intoxicated. Victims of the "Blood Border" included young adults southward after a night of drinking in Wisconsin bars and taverns just across the state line. The Alliance Against Intoxicated Motorists counted 65 separate victims of "Blood Border" in the early 1980's. My late husband, Tim Osmond, was a volunteer paramedic with the Antioch Rescue Squad who spent many Friday and Saturday evenings in the Squad building waiting for the siren calling them to the scene of another accident. In those days drinking seemed to be the main factor. You are no doubt asking why I am bringing this up for your consideration. The estimation of the amount of traffic coming thru the 61st district can only bring to mind how will the district cope with traffic control, accidents and the need of paramedics? Some Casino goers, like the young driver many years ago, will enjoy their gaming too much and head home drunk thru the 61st District. Then, we will have the blood border once again.

Finally, there is the increased need for Illinois social services for our problem gamblers frequenting the new casino. The Kenosha casino is going to provide this support to Kenosha residents but will not give any support to Illinois governments. Our own local social service agencies, which are already being asked to do more with fewer resources, will be charged with picking up the pieces for any number of Illinois residents

and their families that may be negatively impacted by compulsive gambling. Illinois also has a self-exclusion list for problem gamblers that bars these individuals from betting at any of our nine casinos and those in northern Indiana. The mega casino being planned in Kenosha may be too close and too tempting for those individuals on the self-exclusion list. There are no efforts being made to screen or recognize known problem gamblers crossing state lines.

While I think of all the difficulties this proposed casino will cause for my district and the problems I have had being heard by the BIA, I was alarmed to learn that this project would be grandfathered under Senate Bill S. 2078 which just passed out of the Indian Affairs Committee. How can you grandfather a proposal, which excludes local input and ignores local community impacts? This Kenosha Casino project, which has been pursued for 7 years, is the poster child for how not to site a casino.

Then there are all the press reports alleging organized crime ties for the first group of Kenosha Casino developers. While most of these first developers are no longer part of the project, others still remain. I worry that the procedures which allowed the first developers to be a part of this project will be inadequate to protect my constituents from being exposed to criminal elements.

Also, my fellow representative Mark Beaubien has repeatedly made the point that the Menominee are trying to locate a casino in an area outside their traditional or historic homeland. This doesn't make any sense to me. If tribes can locate casinos outside their traditional homelands, they can locate casinos anywhere including casinos in our largest cities like Chicago, New York or Miami.

Finally, I worry about these Indian Casinos coming into Illinois. Several tribes like the Ho-Chunk and the Prairie Band Potawatomi have tried to put casinos in Illinois. We already have a well regulated Commercial gaming industry and do not need poorly regulated, huge Indian casinos coming from out of state.

In closing, I understand Mr. Chairman that your Casino reform bill, HR 4893 addresses the problems we have had in Illinois with Indian Casinos. Further, unlike Senator McCain's legislation, it would not Grandfather in the flawed sitting process we have experienced in Illinois. On behalf of my constituents, I thank you for pursuing the right kind of reform legislation and for holding this hearing.